

URA

Forest Grove
Urban Renewal Agency



Small Business Emergency Assistance Program

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Purpose:

- Consider adding monies to the small business emergency assistance program for a second round of grants for May rent or mortgage.

Background:

- The Board authorized \$126,000 in grants to small businesses within the Urban Renewal Agency (URA) area directly impacted by COVID-19.
- 80 businesses were awarded grants for April rent or mortgage up to but not exceeding \$2,500. The average grant was \$1,576.
- Small businesses are less than 25 full-time employee equivalents and were specifically closed or restricted in the Governors Executive Order.
- Approximately 80-90% of all small businesses in Forest Grove are within the URA area.

URA Financial Position:

- All programs were fully funded in FY 19-20.
- After annual debt payments (six more years), the annual net revenue is approximately \$120,000.
- Recall the Board authorized three five-year programs and one Study within the URA:
 - Parklet Pilot Project \$5k/year
 - Installation Art Program \$20k/year
 - Storefront Façade Program \$20k/year
 - Festival Street Study \$50/one year
- This leaves approximately \$25,000 in discretionary monies for FY 20-21.

URA Financial Position:

- Any additional funding for the grant program above this amount would come from URA reserves.
- URA reserves can be used for any planned expenses including capital projects and redevelopment.
- The ending FY 20-21 reserves balance is projected to be \$194,000.
- There is no reserves policy for the URA as it is based on projects and not essential services.

Other Considerations: Programs

Depending upon the amount, additional grant funding may impact:

- The Parklet, Installation Art, and Storefront Façade programs.

Other Considerations: Other Programs

- The ability to fund construction for the Festival Street, redevelop Site B, or other capital and/or redevelopment projects.
- Since the URA Program, the following programs have been implemented by other agencies in which the same businesses would qualify:
 - Federal CARES Act: \$680 billion.
 - State of Oregon: \$10 million.
 - Washington County: \$1.175 million.

Other Considerations: Businesses outside URA

- The City received two complaints from businesses outside the URA. The complaints centered on them not being eligible for the grants.
- URA funds can only be spent within the URA area.
- The City estimates that approximately 15 small businesses outside the URA area would be eligible under the same criteria as the URA Program. Any assistance to these businesses would have to come from the City's General Fund.

Options:

- Option 1: Delay consideration and take no action.
- Option 2: Add monies to the URA Program. For example, if the Board added \$80,000 it could award grants up to \$1,000 per qualifying business.
 - These monies would come from URA reserves.
 - Staff recommends that if the Board chooses this option it also consider a similar program outside the URA, funded by the General Fund
- Option 3: Do not add monies to the URA program but authorize the same or similar program for businesses outside the URA using General Funds.